

NEW CLINTON ADMINISTRATION BROWNFIELDS TAX INCENTIVE TO SPEED URBAN CLEANUP, REDEVELOPMENT

The Clinton Administration's efforts to speed cleanup of toxic waste and economic redevelopment in urban and rural areas is already improving the economic and environmental health of our communities - and doing so in innovative, consensus-based, creative ways that achieve better protection of public health and environment at less cost. The Administration has fundamentally redirected Superfund - the national effort to clean up toxic waste sites. Cleanups have been dramatically accelerated to protect public health and the environment. In 1994 and again in 1995, nearly as many Superfund cleanups were completed in 12 months as were completed in the program's entire first decade. To clear the way for economic redevelopment for sites that don't warrant further federal action, the Administration also has removed more than 27,000 sites from the Superfund inventory. Some 12,000 small businesses and individuals also have been shielded from Superfund liability for cleanup at sites where their involvement was truly minimal.

A significant problem for American communities are brownfields - abandoned, contaminated industrial or commercial properties that are less toxic than Superfund sites, but still face barriers to their redevelopment. With seed money from the Administration's Brownfields Action Agenda, cities across the nation are participating in pilot projects to redevelop brownfields and return them to productive use. Brownfields pilot cities seek developers to restore abandoned sites to new uses, thereby creating jobs, economic growth, increased property values, and local tax revenues - and protecting the environment by encouraging development on existing sites, rather than in undeveloped area.

In the President's State of the Union address, he called for a tax incentive to spur the private sector to clean up these brownfields sites and put them back to productive use again - helping to rebuild neighborhoods, create jobs, and restore hope. Today, the President announced a new tax incentive that is good for the environment, good for the economy and good for growth in neighborhoods in America that for too long have been left behind.

The new Clinton Administration Brownfields Tax Incentive that the president announced today will expand these creative approaches to cleaning up and revitalizing abandoned, contaminated properties in cities and rural areas across the U.S. in four important ways:

- Protecting the environment and promoting growth in our nation's distressed communities. The President's plan will provide a tax incentive for those who clean up and redevelop contaminated, abandoned properties. This \$2 billion tax incentive is expected to leverage some \$10 billion in private cleanups nationwide, and return to productive use as many as 30,000 brownfields properties in the U.S., improving environmental and public health protection, and spurring economic development.

- Providing a real incentive for businesses to clean up and develop contaminated properties in distressed communities: Cleanup costs are a major barrier to those who want to purchase and redevelop abandoned, contaminated brownfields. President Clinton's plan will lower that barrier by making cleanup expenses fully deductible in the year in which they are spent - an incentive available to both large and small businesses - helping to rebuild neighbors, create jobs, and restore hope.
- Returning thousands of abandoned, contaminated properties to productive use: President Clinton's new tax incentive proposal builds on and dramatically expands the Administration's Brownfields Action Agenda by targeting key brownfields areas for cleanup and redevelopment. The incentive would be available in existing EPA Brownfields pilot areas, in areas with a poverty rate of 20% or more, in adjacent industrial or commercial areas, and in Empowerment Zone/Enterprise Communities, both existing ones and those that would be designated in the second round proposed in the President's budget.
- Boosting economic growth in our nation's distressed areas. By encouraging redevelopment of once-abandoned, unproductive sites, the incentive will bring real economic benefits to urban distressed and rural areas, creating jobs, economic growth, increased property values, and local tax revenues. In Cleveland alone, the Administration's Brownfields pilot has already leveraged \$3.2 million in new private investment, a \$1 million boost to the local tax base, and more than 170 new jobs benefits that the new tax incentive would hope spur in neighborhoods across the country.